

AMENDED IN ASSEMBLY JUNE 14, 2007

AMENDED IN SENATE MARCH 28, 2007

SENATE BILL

No. 529

Introduced by Senator Migden

February 22, 2007

An act to add ~~Section 42310.4 to the Public Resources Code, relating to recycling.~~ Article 1.7 (commencing with Section 7067) to Chapter 8 of Part 1 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 529, as amended, Migden. ~~Rigid plastic packaging.~~ Tax amnesty: medical cannabis dispensaries.

Existing law imposes specified taxes, including sales and use taxes that are administered by the State Board of Equalization, and requires the State Board of Equalization to administer tax amnesty programs, during specified periods.

This bill would require the State Board of Equalization to administer a tax amnesty program, as specified, for medical cannabis dispensaries, as defined.

~~Existing law, the California Integrated Waste Management Act of 1989, administered by the California Integrated Waste Management Board, requires every rigid plastic packaging container, as defined, sold or offered for sale in this state, to generally meet one of specified criteria, including being made of 25% postconsumer material. Existing law provides that a manufacturer is in compliance with that 25% requirement criteria if the manufacturer makes a demonstration with regard to the consumption of a volume of postconsumer material in the manufacture of a rigid plastic packaging container.~~

~~This bill would require the board to make a recommendation to the Legislature regarding the feasibility of establishing a tradeable credit system, for compliance with those requirements. The bill would also declare the intent of the Legislature to enact legislation to establish a tradeable credit system for the utilization of postconsumer plastic generated in this state and to eliminate the exemption of certain manufacturers from those requirements.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 1.7 (commencing with Section 7067) is
2 added to Chapter 8 of Part 1 of Division 2 of the Revenue and
3 Taxation Code, to read:

4
5 Article 1.7. Tax Amnesty
6

7 7067. (a) Notwithstanding any other law, a medical cannabis
8 dispensary engaged in business in this state of selling marijuana
9 for medical purposes that has failed to file a return or report or
10 pay the tax or amount due as required by this part, shall be relieved
11 of liability for tax, additions to tax, interest, and penalty on its
12 sales of tangible personal property made prior to the effective date
13 of this article, if both of the following occur:

14 (1) The dispensary applies for voluntary disclosure relief in a
15 form, as prescribed by the board, no later than March 31, 2008.

16 (2) The dispensary begins prospective compliance under this
17 part. For purposes of this article, a dispensary begins prospective
18 compliance when the dispensary makes a good faith effort to
19 comply with the provisions of this part, including obtaining a
20 seller's permit and filing returns and remitting amounts due,
21 subsequent to the effective date of this article. A dispensary has
22 made a good faith effort to comply with the provisions of this part
23 when the dispensary makes a reasonable and honest effort to fulfill
24 its duties and obligations as a seller of tangible personal property
25 and does not intentionally or purposefully misrepresent its tax
26 obligations to the board.

27 (b) If the board finds that the dispensary has failed to make a
28 good faith effort to comply with the provisions of this part, the

1 board may disallow the relief provided by this article. The board
2 shall retain the right to audit dispensaries and assess any tax,
3 penalty, and interest that may be determined to be due in
4 accordance with this part.

5 (c) Nothing in this article shall be construed to allow for a
6 refund to a dispensary of any tax, interest, or penalty paid prior
7 to the effective date of the article, unless otherwise allowed by
8 law.

9 (d) The relief provided by this article shall not apply to any
10 dispensary that has collected sales tax reimbursement prior to the
11 effective date of this article.

12 (e) The board shall separately identify in its records marijuana
13 cannabis dispensaries that apply for voluntary disclosure relief
14 pursuant to this article.

15 (f) For purposes of this article, “medical cannabis dispensary”
16 or “dispensary” means any person or entity that engages in retail
17 sales of marijuana for medical purposes to qualified patients or
18 patients’ primary caregivers pursuant to Sections 11362.5 to
19 11362.83, inclusive, of the Health and Safety Code, commonly
20 referred to as the Compassionate Use Act of 1996 and the Medical
21 Marijuana Program.

22 ~~SECTION 1. The Legislature declares its intent to enact~~
23 ~~legislation to establish a tradeable credit system for the utilization~~
24 ~~of postconsumer plastic generated in this state and to eliminate the~~
25 ~~exemption of certain manufacturers from the requirement that rigid~~
26 ~~plastic packaging containers, sold or offered for sale in this state,~~
27 ~~meet one of specified criteria, including being made of 25-percent~~
28 ~~postconsumer material.~~

29 ~~SEC. 2. Section 42310.4 is added to the Public Resources Code,~~
30 ~~to read:~~

31 ~~42310.4. On or before January 1, 2009, the board shall make~~
32 ~~a recommendation to the Legislature on the feasibility of~~
33 ~~establishing a tradeable credit system, for the purpose of meeting~~
34 ~~the requirement of subdivision (a) of Section 42310 that 25 percent~~
35 ~~of a rigid plastic packing container sold in the state be made from~~
36 ~~postconsumer recycled material, whereby the board would provide~~
37 ~~a tradeable credit to a manufacturer who generates postconsumer~~
38 ~~recycled material, processes the material, and demonstrates to the~~

- 1 ~~board that the material has been arranged to be utilized for~~
- 2 ~~recycling in this state.~~

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